The Personality Underpinnings of Strategic Leadership: The CEO, TMT, and Board of Directors

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Summary and Keywords

“Strategic leadership” is the umbrella term used to describe the study of an organization’s top leaders—what they do, their interactions, and how they influence important organizational outcomes. The three major areas of focus within this field are the chief executive officer (CEO), the top management team (TMT), and the board of directors. Although each area has vibrant bodies of literature on important topics of inquiry, the integration of research findings, frameworks, and insights across the three areas remains underdeveloped. For example, the study of leader personality is a rich line of inquiry within the broader management literature, and all three areas are developing, albeit at different rates and with little integration across the three areas.

The work on CEO personality is the most developed, and the work on board personality is the least developed. CEOs personality traits that have been studied include the Big Five personality traits (conscientiousness, extraversion, agreeableness, openness to experience, and emotional stability), locus of control, core self-evaluations, narcissism, overconfidence, hubris, humility and regulatory focus (a person’s general approach to goals as either promotion focused or prevention focused). TMT personality traits that have been studied include the Big Five, trait positive affect, propensity to innovate, and competitive aggressiveness. Finally, board of directors’ personality traits that have been studied include only personality diversity.

Keywords: strategic leadership, CEO, TMT, board of directors, personality

The Personality Underpinnings of Strategic Leadership: The Chief Executive Officer, Top Management Team, and Board of Directors

The strategic leadership of firms is perhaps one of the most influential aspects of an organization (Finkelstein, Hambrick, & Cannella, 2009) yet one of the least well understood in terms of how the mix of personalities influences important outcomes. The deficiency con-

trasts with the trend toward evidence-based management, whose proponents argue that we need to have a more rigorous body of evidence if we are to make better decisions for organizations (e.g., Pfeffer & Sutton, 2006). Although most reviews on this topic recognize the considerable challenge of studying the personality of elite leaders, and thus most work in the area uses archival proxies to assess personality, a body of work has developed that looks more closely at personality rather than assuming its role. In this essay, we discuss the current state of the evidence on personality effects across all three areas of strategic leadership—the chief executive officer (CEO), the top management team (TMT), and the board of directors. In that order, we find that the body of evidence is fairly good for CEOs, small and growing for TMTs, but sparse for boards. We also suggest that researchers leverage personality work in one or two of these areas to influence new research in the others. By looking to the most recent work, researchers can benefit from scholars in a similar context.

Personality research experienced a renaissance in the social sciences starting in the 1990s (see for example Barrick & Mount, 1991; Costa & McCrae, 1987), in no small part because of the reasonable consensus in the personality literature that five specific traits capture the bulk of what we mean by "personality." These Big Five personality traits (conscientiousness, agreeableness, extraversion, openness to experience, and emotional stability) have been studied in a remarkably broad set of samples, contexts, and conditions, not to mention industries, levels of an organization, and countries (Pervin, Robins, & John, 2008). Yet, although fascinating insights that integrate the personality, applied-psychology, and micromanagement bodies of literature provide more understanding of the nature of leadership, teams, and multiteam systems, their incorporation in the study of CEOs, TMTs, and boards has been slow. The goals of this article are to review these strategic leadership bodies of literature with a focus on personality effects, critiquing the state of this small but important field, and suggesting ways to integrate work in order to identify and build insights across the three subareas. We believe that tremendous opportunity awaits and look forward to seeing the fruits of future work that deepens our understanding of the nature and role of personality of the top leaders in organizations.

The Personality of the CEO

A key tenant of upper-echelons theory is that the personality of organizational leaders has an important effect on the members, strategy, and performance of the organization. Indeed, the personality of the top leader has influence on the individual, team, business unit and at the organizational level because the disposition of the CEO is important to so many parts and functions of the organization. Hence, much research has examined how the CEO's personality affects organizational outcomes (Finkelstein et al., 2009). In what follows, we discuss what we have learned about CEO personality (see "PERSONALITY OF THE CEO: REVIEW OF THE LITERATURE") and describe important areas for future investigation (see "PERSONALITY OF THE CEO: DIRECTIONS FOR FUTURE

RESEARCH"). Table 1, although not comprehensive, presents a sample of studies to summarize what we know about CEO personality.

Table 1. Summary of Key Findings Related to CEOs

Trait	Summary of key findings	Source(s)
Extraversion	CEO extraversion positively affects strategic flexibility.	Nadkarni and Herrmann (2010)
	CEO extraversion is positively related to strategic change initiation.	Herrmann and Nadkarni (2014)
	Extraverted CEOs are more likely to engage in acquisitions, especially large ones.	Malhotra et al. (2018)
Conscientiousness	CEO conscientiousness negatively affects strategic flexibility.	Nadkarni and Herrmann (2010)
	CEO conscientiousness is negatively related to strategic change initiation.	Herrmann and Nadkarni (2014)
	CEOs who are more conscientious are better able to observe problems in multiple ways and are most likely to change their opinions based on new data.	Peterson et al. (2003)
	CEO conscientiousness positively affects firm financial performance.	Colbert et al. (2014)
Emotional stability	CEO emotional stability positively affects strategic flexibility.	Nadkarni and Herrmann (2010)
	CEO emotional stability is positively related to strategic change initiation.	Herrmann and Nadkarni (2014)

	CEOs who are more emotionally stable are better able to observe problems in multiple ways and are more likely to change their opinions based on new data.	Peterson et al. (2003)
	CEO emotional stability affects firm performance and organizational commitment through an increase in transformational leadership.	Colbert et al. (2014)
Agreeableness	CEO agreeableness positively affects strategic flexibility.	Nadkarni and Herrmann (2010)
	CEO agreeableness is negatively related to strategic change initiation.	Herrmann and Nadkarni (2014)
Openness to experience	CEO openness positively affects strategic flexibility.	Nadkarni and Herrmann (2010)
	CEO openness is positively related to strategic change initiation.	Herrmann and Nadkarni (2014); Harrison et al. (2019)
	CEO openness affects firm performance and organizational commitment through an increase in transformational leadership.	Colbert et al. (2014)
Locus of control	CEOs with higher levels of internal locus of control are more likely to pursue more innovative products and to take greater risks.	Miller et al. (1982)
	Organizations perform better when their CEO has an internal locus of control.	Boone et al. (1996)

Core self-evaluation (CSE)	CEOs with a high CSE have more of an entrepreneurial orientation, especially when facing dynamic environments.	Simsek et al. (2010)
	CEO CSE is positively related to transformational leadership.	Resick et al. (2009)
Narcissism	Narcissistic CEOs are more emboldened by social praise and media awards.	Chatterjee and Hambrick (2011)
	Narcissistic CEOs are less responsive to objective performance.	Chatterjee and Hambrick (2011)
	Firms with narcissistic CEOs are more likely to introduce breakthrough technology.	Gerstner et al. (2013)
	Narcissistic CEOs are less likely to exhibit servant-leadership behaviors.	Peterson et al. (2012)
	Narcissistic CEOs who have been with their firm for a longer period generally receive more in compensation.	O’Reilly et al. (2014)
	Narcissistic CEOs are more likely to spin earning announcements in a positive way.	Marquez-Illescas et al. (2019)
	Narcissistic CEOs are more likely to engage in accrual-based earnings management and fraud.	Rijsenbilt and Commandeur (2013)
	Narcissistic CEOs are more likely to expose their organizations to undue legal risks.	O’Reilly et al. (2018)

Hubris	CEO hubris often leads to their organization's payment of acquisition premiums, especially when there is less board independence.	Hayward and Hambrick (1997)
	CEO hubris is associated with higher levels of firm risk-taking.	Li and Tang (2010)
	CEO hubris harms corporate financial performance.	Park et al. (2015)
	CEO hubris is positively related to earnings manipulation.	McManus (2018)
	CEO hubris is negatively related to corporate social responsibility.	Tang et al. (2015)
Humility	Organizations perform better when their CEO displays humility.	Ou et al. (2014)
	Humble CEOs collaborate more with their TMT.	Ou et al. (2018)
	CEO humility is negatively related to executive turnover.	Ou et al. (2017)

Review of the Literature

The Big Five are among the personality traits most studied by management scholars (Costa & McCrae, 1987). Some studies have looked at how these personality traits in CEOs affect organizations. Nadkarni and Herrmann (2010) found that a CEO's extraversion, emotional stability, agreeableness, and openness to experience all positively affect strategic flexibility, which then increases firm performance. Surprisingly, conscientiousness negatively affected firm performance through a decrease in strategic flexibility. And although the relation between agreeableness and strategic flexibility was positive, it was also noted to be curvilinear such that strategic flexibility started to decrease when the CEO had very high levels of agreeableness. Herrmann and Nadkarni (2014) also identified that CEO emotional stability, extraversion, and openness all positively relate to strategic change initiation, whereas CEO agreeableness and conscientiousness negatively relate to strategic change initiation. Additionally, CEO personality characteristics of conscientiousness, emotional stability, and agreeableness all moderate the relation between strategic implementation and firm performance (Herrmann & Nadkarni, 2014).

Peterson, Smith, Martorana, and Owens (2003) examined how CEO personality affects TMT dynamics and noted that CEOs who are more emotionally stable and conscientious are better able to observe problems in multiple ways and are more likely to change their opinions in response to new data. These tendencies lead to an increase in firm growth. Conscientiousness, emotional stability, and agreeableness are all correlated with a TMT with strong cohesion. This strong cohesion among TMT members also leads to an increase in income growth. Colbert, Barrick, and Bradley (2014) determined that CEO conscientiousness affects firm financial performance and that CEO emotional stability and openness both have an effect on the CEO's transformational leadership, which then has an effect on firm performance and organizational commitment. Malhotra, Reus, Zhu, and Roelofsen (2018) showed that extraverted CEOs are more likely to engage in acquisitions and more likely to be involved in larger ones. Benischke, Martin, and Glaser (2019) identified that the relationship between executive risk-bearing and strategic risk-taking is usually negative but is positive for CEOs high in extraversion, high in openness, and low in conscientiousness. On the positive side, prior research has also found that CEO openness is positively related to strategic change (Harrison, Thurgood, Boivie, & Pfarrer, 2019).

Other dimensions of personality that have been examined by CEO scholars are locus of control (e.g., Boone, de Brabander, & Helleman, 2000; Boone, de Brabander, & van Witteloostujin, 1996; Miller, De Vries, & Toulouse, 1982) and core self-evaluations (CSE) (e.g., Hiller & Hambrick, 2005; Simsek, Heavery, & Veiga, 2010). Locus of control refers to how much individuals believe they have control over their future (Rotter, 1954, 1966). Individuals with an internal locus of control believe that they have control over what happens to them in the future. Those with an external locus of control believe that their future is influenced mostly by external forces. Miller et al. (1982) found that locus of control has a direct effect on strategic leadership. Organizations that have CEOs with higher levels of internal locus of control pursue more innovative products, undertake greater risks, and are more likely to lead rather than to follow competitors. Boone et al. (1996) showed that organizations perform better when their CEO has a more internal locus of control and that small firms are much less likely to go bankrupt when their CEOs have an internal locus of control.

Core self-evaluations (CSE) represent a personality trait that helps measure how individuals view themselves (Judge, Van Vianen, & De Pater, 2004) and represents the common core of four personality traits—self-esteem, generalized self-efficacy, locus of control, and emotional stability (Judge & Bono, 2001). In their conceptual article, Hiller and Hambrick (2005) proposed that when CEOs have a very high level of CSE, their organization's strategic decision-making will be more centralized as a result of the CEO's high level of self-confidence. This decision-making centralization will help organizations to act more quickly and to be more innovative but might also cause organizations to be less comprehensive in making a decision and more committed to strategies that are not working. Simsek et al. (2010) noted that when CEOs have high CSE, their organizations have a more entrepreneurial orientation (EO), especially when facing dynamic environments. In addi-

tion, Resick, Whitman, Weingarden, and Hiller (2009) found that CEO CSE are positively related to transformational leadership.

One study (Delgado-Garcia & De La Fuente-Sabate, 2010) examined how CEO affective traits influence firm strategy and performance. Conformist strategies mediate the relation between CEO personality and firm performance. A CEO's negative affective traits lead to more conformist strategies and to more normal firm performance. In contrast, a CEO's positive affective traits increase nonconformist strategies (Delgado-Garcia & De La Fuente-Sabate, 2010).

One of the most interesting areas of CEO personality research has looked at how CEO narcissism (e.g., Chatterjee & Hambrick, 2007, 2011; Gerstner, Konig, Enders, & Hambrick, 2013), overconfidence (e.g., Chen, Crossland, & Luo, 2015), hubris (e.g., Hayward & Hambrick, 1997; Li & Tang, 2010; Park, Kim, Chang, Lee, & Sung, 2015; Tang, Li, & Yang, 2015), and humility (e.g., Ou et al., 2014; Ou, Seo, Choi, & Hom, 2017; Ou, Waldman, & Peterson, 2018) affect organizational outcomes. For example, Chatterjee and Hambrick (2011) found that highly narcissistic CEOs are more emboldened by social praise such as media praise and media awards than are their less narcissistic counterparts. Chatterjee and Hambrick (2011) also demonstrated that less narcissistic CEOs are more responsive to objective performance than are highly narcissistic CEOs. However, Chatterjee and Hambrick (2007) showed that although CEO narcissism is positively correlated with strategic dynamism and grandiosity, there is essentially no relationship between CEO narcissism and firm performance. Thus, although CEO narcissism has a significant relationship to firm strategy, it does not have a significant, direct relation to firm performance. CEO narcissism, however, typically weakens the relation between firm EO and performance, although this is not the case in which firms operate in highly concentrated and dynamic markets (Engelen, Neumann, & Schmidt, 2016). CEO narcissism has also been found to directly relate to EO and indirectly to firm performance variability via EO (Wales, Patel, & Lumpkin, 2013).

There are also positive aspects of CEO narcissism. For example, Gerstner et al. (2013) showed that organizations with more narcissistic CEOs are more likely to introduce breakthrough technology, especially when they anticipate public admiration for their actions. Others have demonstrated that CEO narcissism positively relates to TMT behavioral integration when the CEO has a high level of organizational identification, but it relates negatively when the CEO is low in organizational identification; the interaction between CEO narcissism and organizational identification also indirectly affects firm performance via TMT behavioral integration (Reina, Zhang, & Peterson, 2014). Context also matters when considering the effects of CEO narcissism on firm performance. One group of researchers noted that narcissistic CEOs' firms faced greater declines during the beginning of the 2007 financial crisis, but during the postcrisis period, narcissistic CEOs' firms increased performance (Patel & Cooper, 2014).

Previous research found that overconfident CEOs are less responsive to corrective feedback (Chen et al., 2015) and that CEO hubris leads to organizations paying higher acqui-

sition premiums, especially when there is less board independence (Hayward & Hambrick, 1997). This increase in premiums then leads to shareholder losses after the acquisition. Narcissistic CEOs who have been with their firm for a longer period also receive more in compensation (O'Reilly, Doerr, Caldwell, & Chatman, 2014). Additionally, narcissistic CEOs are less likely to exhibit servant-leadership behaviors, which indirectly relates to firm performance (Peterson, Galvin, & Lange, 2012). Li and Tang (2010) showed that CEO hubris is associated with higher levels of firm risk-taking and Park et al. (2015) demonstrated that CEO hubris harms corporate financial performance, especially when the CEO is given higher levels of power. CEO power has also been found to predict new directors' similarity to the CEO in terms of narcissism, and the more that directors are like the CEO in narcissistic tendencies, the more likely a firm is to engage in risky spending (Zhu & Chen, 2015A).

Furthermore, narcissistic CEOs are more likely to adopt the opposite of what directors' experience would suggest and more likely to adopt corporate strategies that they have witnessed at other firms (Zhu & Chen, 2015B). Prior research has also demonstrated that narcissistic CEOs, especially those who are young, are more likely to spin earnings announcements in a positive way (Marquez-Illescas, Zebedee, & Zhou, 2019). Additionally, CEO hubris is positively related to earnings manipulation (McManus, 2018). Such CEOs are also more likely to expose their organizations to undue legal risks (O'Reilly, Doerr, & Chatman, 2018) and to more fraud (Rijsenbilt & Commandeur, 2013). Tang, Qian, Chen, and Shen (2015) identified a negative link between CEO hubris and corporate social responsibility (CSR). However, Petrenko, Aime, Ridge, and Hill (2016) found the CEO narcissism has positive effects on the levels and profiles of organizational CSR, but the authors argued that it was used as a means for CEOs to gain attention and reinforce their own image. Resick et al. (2009) showed that narcissistic CEOs were less likely to engage in contingent reward leadership. Yet Arena, Michelon, and Trojanowski (2018) demonstrated that CEO hubris led to innovative green projects and that organizational slack moderates this relation. Previous research has also shown that male CEOs are more likely to display narcissistic tendencies (Ingersoll, Glass, Cook, & Olsen, 2019).

In addition to studies on CEO narcissism, hubris, and overconfidence, some CEO personality studies have focused on CEO humility and on humble leadership behaviors. Ou et al. (2014) found that top and middle management have higher perceptions of empowerment and perform better when their CEO displayed humility. Ou et al. (2018) noted that humble CEOs collaborate more with their TMTs and, as a result, experience stronger firm performance. Finally, Ou et al. (2017) demonstrated that humble CEOs are better able to retain TMT members and decrease executive turnover. Thus, although CEO narcissism has a mixed effect on organizational outcomes, and CEO hubris has a mostly negative effect, organizations benefit from having a CEO high in humility. Interestingly, Zhang, Ou, Tsui, and Wang (2017) found that leaders who are both humble and narcissistic perform best of all. Although these traits may seem contradictory, the authors adopted a paradoxical perspective to explain how these characteristics might coexist. This combination of leader humility and narcissism has also been studied at different levels of the organization with similar results (e.g., Owens, Wallace, & Waldman, 2015). Because CEO narcissism has

both a bright side and a dark side (Liu, Fisher, & Chen, 2018), it appears that by being both humble and narcissistic, CEOs can benefit from the positive effects of CEO narcissism while minimizing the negative effects.

The literature on CEO personality is rich, especially compared with the lower amount of research on the personalities of TMTs and the personalities of the Board of Directors. CEOs have been studied in a variety of industries and cultures such as the furniture-manufacturing industry of the United States (e.g., Boone et al., 1996), the business-process outsourcing industry of India (e.g., Nadkarni & Herrmann, 2010), the computer-hardware and -software industries of the United States (e.g., Ou et al., 2018), and the general-manufacturing industry of China (e.g., Li & Tang, 2010). Some studies have used a sample consisting of organizations across different industries (e.g., Chatterjee & Hambrick, 2007; Gamache, McNamara, Mannor, & Johnson, 2015; Hayward & Hambrick, 1997). Not only have studies linked CEO personality to organizational outcomes such as firm performance (e.g., Boone et al., 1996; Nadkarni & Herrmann, 2010) and survival (e.g., Boone et al., 2000), but previous research has also explored the mediating mechanisms between CEO personality and organizational outcomes such as strategic flexibility (e.g., Nadkarni & Herrmann, 2010), TMT dynamics (e.g., Peterson et al., 2003), empowerment (e.g., Ou et al., 2014), and strategic dynamism (e.g., Chatterjee & Hambrick, 2007).

In a few of the studies we reviewed, CEOs filled out surveys in order to measure personality directly (e.g., Boone et al., 1996; Ou et al., 2014; Simsek et al., 2010). However, because it is often difficult to gather CEO personality data using direct measures, researchers have also used a variety of different methods to ascertain CEO personalities, including gathering information from biographies and interviews (e.g., Peterson et al., 2003), letters to shareholders (e.g., Gamache et al., 2015), and unstructured interviews (e.g., Malhotra et al., 2018) in addition to looking at the CEO’s pay relative to the second-highest-paid executive (e.g., Chatterjee & Hambrick, 2007), measuring the CEO’s accuracy in forecasting future firm financial performance (e.g., Li & Tang, 2010), and measuring the size of the CEO’s photograph in annual reports (e.g., Chatterjee & Hambrick, 2007). Although some of the research on how CEO personality affects organizations has been cross-sectional, researchers have employed longitudinal designs, as well (e.g., Simsek et al., 2010).

Overall, because CEOs have such a large effect on organizational performance, research has been done in a variety of cultures and industries and using a variety of methods. This breadth has helped scholars better understand how CEO personality affects organizational performance. However, although we currently know much about how the personality traits of CEOs affect organizations, there are still important areas for future research. Below, we propose a few avenues for future research (see “PERSONALITY OF THE CEO: DIRECTIONS FOR FUTURE RESEARCH”).

Directions for Future Research

Future research could study how the effects of CEO personality on organizational outcomes are influenced by contextual factors and environmental contingencies. Previous research has found that CEOs with a military background are less likely to lose money in economic downturns but also make less money during excellent economic times because of their more conservative nature (Benmelech & Frydman, 2015). Also, as mentioned above (see “PERSONALITY OF THE CEO: REVIEW OF THE LITERATURE”), prior research has demonstrated that although narcissistic CEOs’ firms performed worse during the 2008 recession, their firms also performed better in the postrecession period (Patel & Cooper, 2014). Future research could study how the advantages and disadvantages of other CEO personality traits are affected by environmental and organizational factors. For example, future scholars could examine whether other CEO personality traits (in addition to narcissism) are more advantageous in times of high economic growth but then are less advantageous in economic downturns. Future research could also look at how some CEO personality traits might do best in relatively stable industries, although different personality traits may lead to better outcomes in more dynamic industries. Indeed, personality and the situation are key drivers, and future research should explore contingency models in order to understand these complex relationships better.

There have also been understudied traits in the CEO literature. Although narcissism, hubris, and Big Five traits have been more extensively studied by past scholars, future researchers could potentially produce more research on other personality variables such as authoritarianism, power-distance orientation, and learning-goal orientation. Some of these traits (e.g., authoritarianism and power-distance orientation) might also give insight into how the CEO interacts with other members of the TMT. And traits such as learning-goal orientation may predict money spent on R&D and innovative behaviors. In addition, although previous CEO research has looked at how the emotions of CEOs affect organizations (e.g., Baron, 2008; Hiller & Hambrick, 2005), future research could examine how CEO state positive affect (PA) and state negative affect influence their organization.

The Personality of the TMT

Review of the Literature

The compositional characteristics of the executives of an organization have long been a focus of strategy scholars, since the seminal work by Hambrick and Mason (1984) called for a focus on the upper echelons of an organization, not only the CEO. The article echoed earlier calls to study “something more complicated than an individual entrepreneur” (Cyert & March, 1963, p. 30), sometimes referred to as the dominant coalition (Thompson, 1967) or inner circle (Finkelstein, 1992) but now most often referred to

as the TMT. Table 2, although not comprehensive, presents a sample of studies to summarize what we know about TMT personality research.

Table 2. Summary of Key Findings Related to TMTs

Trait	Summary of key findings	Source(s)
Extraversion	TMT extraversion positively affects organizational commitment.	Colbert et al. (2014)
	TMT extraversion has a positive effect on TMT psychological empowerment.	Lin and Rababah (2014)
Conscientiousness	TMT conscientiousness positively affects firm financial performance.	Colbert et al. (2014)
	TMT conscientiousness has a positive effect on TMT psychological empowerment.	Lin and Rababah (2014)
Emotional stability	TMT emotional stability has a positive effect on TMT psychological empowerment.	Lin and Rababah (2014)
Agreeableness	TMT agreeableness has a positive effect on TMT psychological empowerment.	Lin and Rababah (2014)
Openness to experience	TMT openness has a positive effect on TMT psychological empowerment.	Lin and Rababah (2014)
	TMT openness positively affects decision quality.	Lin and Rababah (2014)
Positive affect (PA)	A diversity in trait PA among TMTs leads to less-positive attitudes about the group.	Barsade et al. (2000)
	Teams with low mean trait PA and high PA diversity are more likely to have task and relationship conflict and less likely to experience cooperation.	Barsade et al. (2000)

One of the earliest studies of TMT composition was by Bantel and Jackson (1989), who used a sample of bank TMTs to study the effects of average age, average tenure in the firm, education level and heterogeneity, and heterogeneity of functional background on important TMT and firm outcomes. They proved that banks that were more innovative were led by TMTs that were more educated and more diverse on functional expertise. This example and a multitude of other research in the early 21st century (for reviews, see Carpenter, Geletkanycz, & Sanders, 2004; Stewart & Amason, 2017) has studied the heterogeneity (also called "diversity") of demographic characteristics such as gender, age, race, and functional background. However, the study of actual personality in TMTs is surprisingly small, compared to the number of times it is invoked in the study of more abstract characteristics such as demographic data, which is more easily observed. This lack of evidence exists despite Jackson's (1992) assertion that "all types of attributes are potentially relevant, including demographic background, skills and abilities, *personality* and values, and experience" (p. 347, emphasis added). Carpenter et al. (2004) later concluded that "mounting evidence suggests that in studying executives collectively, important individual-level effects have been overlooked" (p. 768). And more recently, Colbert et al. (2014) concluded that "personality variables have long been included in the parlance of the upper-echelons literature but rarely incorporated specifically in studies" (p. 771). Indeed, the trend to evoke but not to study personality has continued, despite calls for more research in this critical area of strategic leadership. Of course, the difficulty in obtaining access to TMTs (along with CEOs and directors), because of their high status and busy schedules, remains a major reason for the limited direct research on these exclusive types of teams.

Although research on the personality composition of TMTs is much more limited than is the research on CEO personality and on personality in general teams, the extant evidence is beginning to provide a picture of the interesting dynamics that personality plays in these unique teams. For example, Sangster (2011) used a sample of 71 members across the TMTs of seven businesses to describe the personality profiles of TMTs, compared to the general population. He showed that TMTs tend to have much less neuroticism and much more extraversion than the general population does. In addition, they tend to have somewhat higher levels of openness and conscientiousness. Additionally, Pitcher and Smith (2001) conducted an in-depth case study of the TMT of a large multinational corporation over eight years and studied the personality heterogeneity of the 15 TMT members. Although not using common personality measures, they identified three factors in their data, which they labeled the "artist" (e.g., daring, emotional, and visionary), the "craftsman" (e.g., responsible, stable, and realistic), and the "technocrat" (e.g., uncompromising, determined, and cerebral). They found that artist in the TMT prefer growth and innovation, craftsmen prefer product development, and technocrats prefer operational efficiency.

Overall, the two most studied traits for TMTs are the Big Five personality dimensions and positive affect. Colbert et al. (2014) noted that the average level of TMT conscientiousness directly relates to firm financial performance. They also demonstrated that average TMT extraversion relates to collective organizational commitment. The authors also con-

ducted a relative-weights analysis and found that CEO transformational leadership accounts for the most variance in organizational performance (22.1%), followed by TMT mean conscientiousness (13.8%) and TMT tenure (13.6%). And when minimums were included in analyses, the authors noted that mean conscientiousness accounts for 11% of organization performance, but minimum conscientiousness accounts for 22%. This finding represents an important contribution to our understanding of TMT personality, because the team member—including the CEO—with the highest or lowest trait may play a bigger role in TMT dynamics and organizational outcomes than previously thought. Lin and Rababah (2014) studied more than 700 executives in 210 firms in a Middle Eastern country and noted that TMT neuroticism has a negative effect on TMT psychological empowerment, and TMT conscientiousness, extraversion, agreeableness, and openness have positive effects. They also showed that TMT psychological empowerment mediates the effects of TMT personality on decision quality, and that TMT openness also has a direct positive effect on decision quality. Together, Colbert et al. (2014) and Lin and Rababah (2014) not only provide important insight into TMT personality but also show that we need to know more about how the personality of members influence TMTs and their organizations.

Beyond the Big Five personality traits, positive affect has also been studied in a few research projects. First, Barsade, Ward, Turner, and Sonnenfeld (2000) examined affective diversity in a sample of 62 U.S. CEOs and 210 of their top managers. They found that the diversity of trait positive affect influences important team and organizational outcomes, specifically that greater fit between a team member's positive affect and the group's average positive affect correlates with more positive attitudes about the group. Team diversity on positive affect also correlates negatively with CEOs' use of participatory decision-making efforts and with financial performance. In addition, teams with a low mean positive affect and high positive affect diversity are likely to have more task and relationship conflict and less cooperation. Together, these results show that positive affect composition matters in TMTs, although there is much more to know about its role in TMT processes, strategic decision making and execution, and organizational outcomes.

The field also has some insights into the more nuanced personality traits of propensity to innovate and competitive aggressiveness. Although these traits clearly have a matching behavioral component (e.g., innovation), we include them here because they were measured and studied as traits. West and Anderson (1996) used a sample of the 27 senior management teams of major hospitals in the United Kingdom and noted that the proportion of teams with the trait of propensity to innovate is related to innovation radicalness. Papadakis and Barwise (2002) studied a sample of 38 TMTs in manufacturing companies in Greece and showed that the competitive aggressiveness of TMTs related to an important form of strategic decision-making called "lateral communication." However, more unique approaches to the study of personality in the TMT are needed and encouraged.

Directions for Future Research

Although the work on TMT personality composition is small, it is meaningful and growing. But much more research is needed if we are to understand personality composition and its effects in TMTs better. We now discuss a few critiques of the TMT personality literature, framed as opportunities for future research. First, although composition research for TMTs focuses almost exclusively on averages, and there is some research on variances, research on small groups and teams has been building new insights using other ways to measure team composition. For example, Bell (2007) found in her influential meta-analysis that one highly disagreeable person, or "bad apple," damages team performance. Furthermore, one TMT member very low on conscientiousness damages organizational performance (Colbert et al., 2014). Yet we need to develop more ways to operationalize personality composition in TMTs. One person who is highly extraverted or agreeable (operationalized as a maximum score) may be able to overcome the drawbacks of a team that is mostly low in these traits. We recommend that future researchers explore unique operationalizations of personality in TMTs such as minimum or maximum scores or variances within a team. For example, Mathieu, Tannenbaum, Donsbach, and Alliger (2014) proposed a framework of four categories for team composition: the traditional personnel-position fit model (e.g., cognitive ability), the relative-contribution model (e.g., the weakest member), the personnel model with teamwork considerations (e.g., cooperativeness), and the team-profile model (e.g., fault lines). Indeed, many advances in the teams literature could inform TMT research.

Additionally, the Big Five framework is the most common way to understand personality, and although there is a growing body of evidence about the Big Five traits and TMTs, there are important nuances to be aware of in future research. For example, Driskell, Goodwin, Salas, and O'Shea (2006) argued in their conceptual work that not all personality traits, or facets within each trait, may be helpful within a team. They theorized that although the "affiliation" facet of extraversion should facilitate interpersonal relations and, thus, team dynamics, the "dominance" facet of extraversion likely stifles these interpersonal dynamics. In addition, although agreeableness helps team performance (Bell, 2007), it has also been found to reduce learning in teams (Ellis et al., 2003). Other work has also demonstrated that it does not relate to TMT performance (Colbert et al., 2014). It thus may be that agreeableness and harmony are not as important as other traits are in TMTs, although explanations as to why have only been conjecture. We thus propose that TMT personality research take a deeper look at when, how, and why each of the Big Five traits matters for various process, strategic, and organizational outcomes pertinent to TMTs.

The Personality of the Board of Directors

Review of the Literature

In addition to the CEO and the TMT, the board of directors plays an important role in the strategic management of the firm. Boards provide legitimacy, advice, and counsel (Carpenter & Westphal, 2001; Hillman & Dalziel, 2003) and monitor the CEO and TMT (Daily, Dalton, & Cannella, 2003; Eisenhardt, 1989; Fama & Jensen, 1983). The board can also provide important insight and creative suggestions for growth opportunities for the firm (Charan, 1998). The composition of board members has been an important topic of research, and based on the upper-echelons view of the firm (Hambrick & Mason, 1984), the characteristics of board members matter for organizational performance; furthermore, organizations are a reflection of those in top management roles, including members of the board of directors (Carpenter et al., 2004; Hambrick & Mason, 1984). We chose not to present a table to summarize the personality research on boards of directors because the literature is so sparse.

Prior research has sought to understand how board-member traits and attributes—such as knowledge, skills, and abilities (sometimes referred to as “KSAs”) in addition to gender, experience, industry background, and personality—matter for how boards affect the firm (e.g., Beasley, 1996; Tuggle, Schnattetly, & Johnson, 2010; Walker, Machold, & Ahmed, 2015; Zahra & Pearce, 1989). Yet, like research on TMTs, a large majority of this research has focused on surface-level characteristics (Milliken & Martins, 1996) such as gender and age, and deep-level characteristics such as personality have been less studied (Torchia, Calabro, & Morner, 2015; Walker et al., 2015). Depending on the behavioral perspective of the board (Huse, 2003; Huse, Nielsen, & Hagan, 2009), the personality of board members can influence how the board operates. This is because the board of directors can be considered as a team or group (Forbes & Milliken, 1999), and personality differences or similarities can influence how board members interact with one another (Bell, 2007; Harrison, Price, Gavin, & Florey, 2002).

Relatively little research has explored board personality and how it affects firm performance and board-member interactions. Work by Walker et al. (2015) examined how the diversity of board members’ personalities affect board cognitive conflict and affective conflict. They demonstrated, using a sample gathered from 98 directors on 16 U.K. boards, that personality diversity is negatively related to cognitive conflict but has no significant direct relationship with affective conflict. The relationship between board personality diversity and board cognitive conflict in Walker et al.’s study (2015) was moderated by both gender diversity and tenure diversity, such that board personality diversity was more negatively related to cognitive conflict when boards were more homogenous in gender composition and tenure. In other words, boards with less gender diversity and tenure diversity have more cognitive conflict when boards are more similar in personality. Walker et al. (2015) also noted that tenure diversity and age diversity moderated the relation between board personality diversity and affective conflict. Tenure diversity positively

moderated the relation between board personality diversity and affective conflict such that boards with more tenure diversity had a more positive relation to affective conflict compared to boards with less tenure diversity. In contrast, age diversity negatively moderated the relation between board diversity and affective conflict, such that boards with high age diversity had a more negative relation to affective conflict compared to those with less age diversity.

However, in contrast to Walker et al.'s (2015) finding that board personality diversity negatively related to cognitive conflict, in a sample of 385 Norwegian companies, Torchia et al. (2015) demonstrated that board member personality diversity resulted in a positive relationship with cognitive conflict. In addition, Torchia et al. (2015) found that board diversity in personality increased board creativity. The relationship among board personality diversity, cognitive conflict, and board creativity is mediated by board member's interactions. Walker et al. (2015) and Torchia et al. (2015) highlight the complex nature of board interactions; as indicated by the work of Walker et al. (2015), understanding how board personality diversity affects cognitive conflict and other types of interactions may require the inclusion of demographic and other moderators in order to understand the consequences of board personality diversity better. Additionally, Zhu and Chen (2015A) showed that firm risk-taking increases when a new board member has narcissistic tendencies similar to those of the CEO. These studies have begun to address the influence of board-member personality, but various important questions remain unanswered.

Directions for Future Research

An important barrier that has hampered progress by researchers studying board of directors' personality traits is the difficulty of collecting primary data. Although surface-level characteristics such as age and gender are more easily accessible, measures of personality typically need to be measured directly. As such, there are a number of important areas for future research to help us better understand how board members' personality affects board behavior and firm performance. For example, team average personality traits matter for team performance (Barrick & Mount, 1991; Bell, 2007), and for the TMT (Colbert et al., 2014); thus, understanding how board members' average personality traits affect board performance is an important research question. For example, are boards that are composed of highly agreeable individuals best for firm performance, in a way similar to what research on general small groups and teams has found (Bell, 2007)? Or do more disagreeable boards do better because one of their primary roles is to provide an outside perspective and monitor how the firm operates (Daily et al., 2003; Fama & Jensen, 1983)? In addition, would high openness on a board be more beneficial compared to other types of organizational teams (e.g., project teams, department teams) because they provide both advice (Hillman & Dalziel, 2003) and creative suggestions (Charan, 1998)?

Although prior work has explored how board diversity in personality can affect board interactions (e.g., Torchia et al., 2015; Walker et al., 2015), this research has examined personality in general but not specific personality traits. Therefore, future research should explore how the variance on specific personality traits affects board outcomes. Certain

variance on traits such as extraversion may benefit boards, whereas, other traits such as conscientiousness may undermine boards. This may be one of the reasons that prior researchers have found conflicting results about how board personality diversity affects cognitive conflict. Studying specific traits will provide a more in-depth perspective of how personality dissimilarity affects boards. In general, more research that explores how board personality affects firm processes and outcomes can be helpful, as scant research has explored these relationships.

Bridging the Personality Gaps Among CEO, TMT, and Boards of Directors

The CEO, TMT, and board of directors each has an important influence on the strategic leadership of the firm (Finkelstein et al., 2009). The personalities of these important members and groups have the potential to influence the way that an organization operates and performs. However, research on these three roles in a firm, particularly research on personality, has typically been conducted separately from one another. Each of these areas of research has the potential to benefit and to inform one another and to provide important directions for future research. Furthermore, work that explores how CEO, TMT, and board personalities interact is another important avenue for scholarly work. Indeed, we know of no research at these intersections, and we strongly encourage work that makes these connections. In what follows in this section, we discuss important ways that these bodies of literature can complement one another, and how future research can look to study how the personalities of CEOs, TMTs, and boards of directors may interact with one another.

As previously stated, research on the personality of the CEO has been much more prolific than research on the personality of TMTs and boards of directors have been (see “PERSONALITY UNDERPINNINGS OF STRATEGIC LEADERSHIP”). Therefore, research on TMT and boards of directors can seek to integrate the findings of CEO personality into future scholarly work. For example, narcissism has been an important trait in the study of CEO personality (e.g., Chatterjee & Hambrick, 2007, 2011; Gerstner et al., 2013), although little or no research has explored how narcissism in TMT and boards of directors affect firm outcomes including performance. In particular, understanding how narcissistic boards of directors affect the firm is an important line of inquiry, as one of the main functions of the board is to act as a monitoring function (Daily, Dalton, & Cannella, 2003). Overly narcissistic boards may impede positive firm actions for the sake of ego and may be blinded by their inflated sense of themselves. In addition, like CEOs (Park et al., 2015), highly narcissistic boards or boards with significant hubris may allow or even encourage unnecessary risks. Furthermore, work could also examine how the composition of TMT members’ narcissism influences outcomes, particularly performance.

Along with the trait of narcissism, research on TMTs and boards of directors could benefit from exploring specific traits aside from the Big Five, such as locus of control, which influence CEO outcomes (e.g., Boone et al., 2000). In addition, research on boards of direc-

tors could test specific personality traits rather than personality in general, including Big Five personality traits. Knowledge about boards of directors could be enhanced by exploring important personality traits identified in the TMT literature. Prior research has demonstrated that TMT average conscientiousness positively affects firm performance (Colbert et al., 2014) and team psychological empowerment (Lin & Rababah, 2014), and thus understanding how board conscientiousness affects firms could be an important area of inquiry because we know that high team average conscientiousness is important for team performance (Bell, 2007). In general, examining how the personality composition of TMTs and boards of director may influence processes and performance differently could yield insightful research.

Future research would benefit from studies that test the relative importance of personality across the CEO, TMT, and board to firm outcomes and processes, as was done by Colbert et al. (2014) with TMTs and CEOs. Understanding the relative importance of personality could be particularly beneficial in understanding organizational processes, which is important, as each component of the strategic leadership of the firm serves different roles and has different levels of power and authority. For example, board-member personality may be relatively more important for organizational risk-taking behavior because board members serve as monitors, whereas CEO personality may be relatively more important for dynamic decision processes because CEOs often need to make quick decisions during uncertainty. According to the upper-echelons view of firms (Hambrick & Mason, 1984), the personality of those in top leadership positions influences their firm. Understanding when CEO, TMT, or board personality becomes more salient for firm behavior and performance is important, but little prior research has sought to examine these important research questions.

Although there has been a plethora of research on how the CEO’s personality affects an organization, there has not been much research on how the CEO’s personality interacts with other members of the TMT or with the board of directors. For example, previous research has shown that when followers are highly proactive, introverted leaders tend to perform better (e.g., Grant, Gino, & Hoffman, 2010, 2011). If most TMT members and members of the board are highly proactive, does this mean that introverted CEOs will generally perform better? If not, why not? Previous research has also shown that the negative effects of CEO hubris can be mitigated by high levels of board vigilance (e.g., Park et al., 2015). Future research could explore how CEO personality is affected by the personality of the TMT and the board. Finally, some research has shown that CEO personality can affect the amount of collaboration that occurs within the TMT (e.g., Ou et al., 2018). Looking from the other side, future research could examine which TMT (or board) personality characteristics increase collaboration between the CEO and TMT (or board).

Conclusion

Research has shown that based on upper-echelons theory (Hambrick & Mason, 1984), the personalities of the CEO, the TMT, and the board of directors influence an organization in

important ways. The research has helped us understand how personality affects strategic flexibility (e.g., Nadkarni & Herrmann, 2010), firm growth (e.g., Peterson et al., 2003), bankruptcy risk (e.g., Boone et al., 2000), acquisition premiums (e.g., Hayward & Hambrick, 1997), and firm performance (e.g., Nadkarni & Herrmann, 2010; Park et al., 2015). Past research has mostly focused on the personality of the CEO, but future research can help us better understand how the personalities of the TMT and the board, along with the personalities of middle managers, affect strategic decision-making in organizations.

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